

SECRET

19 JUL 1976

DCI/IC-76-1366

MEMORANDUM FOR: Legislative Counsel

FROM : John N. McMahon
Associate Deputy to the DCI for the
Intelligence Community

SUBJECT : CIA Relationship with GAO

1. References are:

a. [REDACTED] memorandum of 7 July, subject as above.

b. "Report of Agency Task Force Review of GAO Audit Options," dated 5 December 1975, which was prepared under chairmanship of [REDACTED] Deputy Director for Plans and Systems, Office of Finance, DDA, as one of the "Issues and Answers" papers developed for the DCI in connection with the then-ongoing Congressional investigations.

2. Mr. Knoche made a commitment to Senator Inouye during the 23 June confirmation hearing to "get together with GAO and come up with suggested guidelines" the Senate Select Committee could look over. There is an immediate requirement to get underway on this, so I suggest the following:

a. A Task Force be formed under the auspices of DDA to prepare a letter which the DCI can forward to the Comptroller General of the United States, attaching a proposed set of guidelines for GAO audit of CIA as the basis for obtaining GAO agreement on the parameters of such an audit. GAO-CIA conferences undoubtedly will be needed, so it is important that the starting position be a paper which the DCI considers acceptable.

SECRET

E2 IMPDET CL BY 246321

~~SECRET~~

b. The guidelines set forth in reference b., cited above, provide a basis for development of a rather comprehensive set of such guidelines.

c. This should be handled as a CIA/GAO matter, not involving other elements of the Intelligence Community, since any problems the GAO may have with other intelligence organizations would differ markedly in nature from those arising with the CIA. Congressional interest in this field seems to focus almost entirely on GAO-CIA relationships.

d. The guidelines developed by the Task Force should be cleared with the White House prior to submission to the Comptroller General.

3. Action on this project should be expedited in the interest of forestalling GAO initiatives.

SIGNED

John N. McMahon

Attachment:
Reference "b"

Distribution:

Orig. - Adsec., w/att

1 - AD/DCI/IC Chrono, w/o att

2 - ES/ICS, w/o att

1 - IC Registry, w/att

✓ 1 - DDA, w/o att

1 - OPBD/ICS, w/o att

SA-D/DCI/IC/

(12 July 1976)

25X1A

~~SECRET~~